

# ANALYSIS OF AMENDED BILL

## Franchise Tax Board

Author: Baugh Analyst: Jeani Brent Bill Number: AB 110

Related Bills: None Telephone: 845-3410 Amended Date: 03/25/1999

Attorney: Doug Bramhall Sponsor: \_\_\_\_\_

**SUBJECT:** Exclusion/Compensation Received by Kevin Green From the State to  
Recompense Him for a Miscarriage of Justice

### SUMMARY OF BILL

Under uncodified law, this bill would appropriate \$770,000 from the General Fund to Kevin Lee Green for a legislatively declared miscarriage of justice by which Mr. Green was unjustly convicted and incarcerated.

Under the Revenue and Taxation Code, this bill would provide that the amount received by a taxpayer under this bill would be excluded from gross income.

### SUMMARY OF AMENDMENT

The March 25, 1999, amendment added the dollar amount of the recompense and added the Revenue and Taxation Code provisions discussed in this analysis.

### EFFECTIVE DATE

This bill would apply to taxable years beginning on or after January 1, 2000.

### SPECIFIC FINDINGS

**Existing state law** provides that gross income includes all income from whatever source derived, including compensation, business income, gains from property, dividends, rents, interest, and royalties, unless it is specifically exempt.

**Existing state law** provides that certain types of income are excluded from the general gross income, such as amounts received from certain death benefits, gifts and inheritances, compensation for injuries and sickness, qualified scholarships, educational assistance programs, and foster care payments.

**This bill** would provide that the \$770,000 received by Kevin Lee Green from the State would be excluded from gross income for California purposes.

### Implementation Considerations

To ensure that Mr. Green is able to exclude the amount, whether he receives it in 1999 or a later year, the bill should be amended to provide an operative date to include the 1999 taxable year. Amendments 1 and 2 would provide the appropriate operative date.

#### Board Position:

<u>      </u> S	<u>      </u> NA	<u>      </u> NP
<u>      </u> SA	<u>      </u> O	<u>      </u> NAR
<u>      </u> N	<u>      </u> OUA	<u>  X  </u> PENDING

#### Department Director

#### Date

**Gerald Goldberg**

**4/26/1999**

FISCAL IMPACT

Departmental Costs

This bill would not impact the department's costs.

Tax Revenue Estimate

Since this bill affects one person, the department is precluded by state law from disclosing the projected tax consequence of this bill since it would constitute disclosure of confidential tax information of that individual.

BOARD POSITION

Pending.

Analyst            Jeani Brent  
Telephone #      845-3410  
Attorney         Doug Bramhall

FRANCHISE TAX BOARD'S  
PROPOSED AMENDMENTS TO AB 110  
As Amended March 25, 1999

AMENDMENT 1

On page 4, line 30, after "17156." insert:

(a)

AMENDMENT 2

On page 4, after line 33, insert:

(b) This section shall apply to taxable years beginning on or after  
January 1, 1999.